



# PRESS RELEASE

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## **SMALL AND MEDIUM ENTERPRISES CREDIT RISK ANALYZED**

**SAN SALVADOR**— The U.S. Embassy, through the U.S. Agency for International Development (USAID) Financial Services for Small and Medium Enterprises (SMEs) Program, held this week two workshops on credit risk for this sector of the national economy.

The first workshop, held on March 6 and entitled, “Risk Management for SME Credit,” was attended by representatives of six commercial banks (Banco Salvadoreño, Banco Cuscatlán, Banco Hipotecario, Banco Agrícola, Banco de América Central and Banco Promérica), the Federation of Cajas de Crédito, Banco de los Trabajadores and two non-banking microfinance institutions (Apoyo Integral and AMC, de R.L.). The objective was to achieve a clearer understanding of the existing risk in financing SMEs and the effective tools to manage risks, especially loan risk.

On March 7 and 8, a second workshop was held for the Superintendent of the Financial System (SFS). Under the title “The Role of the Superintendent of the Financial System in SME Risk Management,” the workshop included sessions on learning and comparing Credit Risk Management Systems (SARC, in Spanish), an analysis of the SFS’s current risk management regime, and risk identification in this area.

During the workshop inauguration, Superintendent Luis Armando Montenegro said the SFS is willing to know the sector and adjust its regime to the SME reality.

USAID Mission Director Deborah Kennedy-Iraheta said that SMEs are the engine for the creation of stable jobs and, consequently, for the country’s economic and social development.

“SMEs should be adequately served by credit institutions,” said Mrs. Kennedy-Iraheta.

USAID Financial Services for SMEs Program provided technical assistance so that the SFS determines the actual risk in providing credits to SMEs, while creating and feeding data bases to adjust loss models and interest rates according to the sector’s risk.

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